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UNCLAS SECTION 01 OF 02 ABU DHABI 001931

SIPDIS

STATE FOR FOR NEA, EB & L  
STATE PLS PASS TO USTR  
COMMERCE FOR BIS/OAC

SENSITIVE

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TAGS: **KBCT** **ABLD** **PHUM** **AL** **AE** **PIRF**  
SUBJECT: ARAB LEAGUE BOYCOTT IN THE UAE

REF: A) STATE 66895

- B) 05 ABU DHABI 4232  
C) ABU DHABI 849  
D) 04 ABU DHABI 3324

**11.** (U) Summary. The UAE still implements the primary Arab League boycott on Israel, but abides by the Gulf Cooperation Council (GCC) policy of not implementing the secondary or tertiary aspects of the boycott. Despite this policy, there have still been instances of prohibited boycott requests affecting U.S. businesses each year. In many of these cases, these prohibited requests appear to a result of companies using old forms or a misunderstanding of the difference between primary versus secondary boycott language, rather than any deliberate policy to implement the secondary or tertiary boycotts. The UAEG has committed to eliminating these instances, and UAE Ministry of Economy has proposed revised language for use in all government contracts. End summary.

**12.** (SBU) Questions and answers below keyed to ref A:

a. QUESTION: Does the UAE require participation in or cooperation with the Arab League Boycott?

ANSWER: The UAE does implement the primary boycott of Israeli goods, but as a matter of policy, the UAE does not implement the secondary and tertiary aspects of the boycott. Senior UAEG officials have publicly and privately said that they are not boycotting U.S. goods, and that they are committed to eliminating prohibited secondary and tertiary boycott requests (ref B).

b. QUESTION: Does the UAE as a matter of policy, practice or contract request that U.S. firms comply with boycott requirements or provide information regarding such compliance?

ANSWER: As a matter of policy, the UAE does enforce the primary boycott on Israel and insists that foreign firms not sell it Israeli goods. However, there have been instances where the UAE and the U.S. differed on interpretations of what constitutes permissible boycott requests (i.e., the UAEG viewed language as primary, and the U.S. viewed it as secondary). The UAEG agreed to work with the Department of Commerce to develop language that would comply with U.S. law and would not have a negative impact on U.S. businesses. The UAE has provided Commerce with proposed language and has committed to having that language used in government contracts. On May 9, MinEcon Under Secretary Abdullah al-Saleh told econoff that he was awaiting an answer from USDOC as to whether the UAE's proposed language complies with U.S. anti-boycott regulations. He said that as soon as he receives a response, MinEcon will provide the approved language to all UAEG entities for use in future contracts. There have also been instances where UAE contracts still contain boycott related language (usually asking a company to certify that it complies with the Arab League boycott). In most instances, it appears that the prohibited language is due to companies (even government-owned ones) using outdated forms. The UAEG has made a commitment to address this problem, and MinEcon has sent out instructions reminding companies that the UAE does not implement the secondary and tertiary aspects of the boycott.

c. QUESTION: Do suppliers, vendors, service suppliers, with whom Embassy typically does business, comply with boycott requirements?

ANSWER: Embassy is unaware of any suppliers or vendors that comply with the secondary or tertiary aspects of the Arab League boycott.

d. QUESTION: Do Boycott laws exist in UAE?

ANSWER: Yes. The UAE has a law requiring companies to enforce the Arab League Primary Boycott on Israel. However, during a March 5 interview with CNN's Wolf Blitzer, MinEcon Shiekh Lubna al-Qasimi said that the UAE would lift the

primary boycott of Israel if the UAE had an FTA with the U.S.(ref C).

e. QUESTION: Does the UAE maintain an Arab League Boycott Office?

ANSWER: Yes. It is part of the Ministry of Economy. Its duties are to implement the primary boycott of Israel.

f. QUESTION: Does the UAE take steps to correct instances of boycott enforcement?

ANSWER: Yes. According to the U.S. business community here, they are generally able to have the language either removed or modified so that it is not prohibited. American businesses and American legal representatives have told us they are largely able to resolve these issues. When the U.S. Embassy has taken examples of prohibited language to MinEcon, they have resolved the issue. In one instance in 2004, the UAEG removed an American company on the UAE's primary boycott list after USG intervention (ref D).

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